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November 29, 2001

VIA ELECTRONIC FILING

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: Gulf of Mexico Cellular Rule Making
WT Docket No. 97-112; CC Docket No. 90-6

Dear Ms. Salas:

On November 27, 2001, on behalf of Petroleum Communications, Inc., Richard S. Myers and Jay N. Lazrus of the law firm Myers Lazrus Technology Law Group made an oral ex parte presentation in the referenced proceeding to Mr. Peter Tenhula, Senior Advisor to Chairman Powell. The firm made a similar presentations on November 28, 2001 to Mr. Paul Margie, Advisor to Commissioner Copps, and Ms. Monica Desai, Advisor to Commissioner Martin. The topics addressed are summarized in the handout (copy enclosed) that was distributed at the meetings. PetroCom also referred to two maps depicting its cellular coverage. Copies of these maps are being submitted under separate cover. This notice was originally submitted on November 28, 2001 by electronic filing but, due to technical difficulties with converting the document received by the Commission, it is being resubmitted.

Sincerely,

/s/

Richard S. Myers

Enclosure

cc (via e-mail w/encl):

Peter Tenhula
Paul Margie
Monica Desai

David Furth
Roger Noel
Michael Ferrante

Linda Chang
Lauren Kravetz

**Petroleum Communications, Inc.
Ex Parte Presentation
Gulf of Mexico Cellular Rule Making
November 27, 2001**

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◆ **Background on PetroCom**

- ❖ PetroCom is the A-side cellular licensee for Gulf of Mexico since 1985.
- ❖ The company provides cellular service to oil and gas industry operating in the Gulf.
- ❖ It is a small business with less than \$25 million in annual revenues.

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◆ **Goals of the rule making:**

- ❖ Seamless coverage along coastline
- ❖ Reduce conflict between land and Gulf carriers
- ❖ Efficient licensing of service providers to best serve customers
- ❖ Comply with court's remand
- ❖ Satisfy requirements of Regulatory Flexibility Act

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◆ **Four main issues:**

- ❖ Whether the rule defining a Gulf carrier's CGSA should be changed.
- ❖ What signal strength rule should be adopted for Gulf carriers.
- ❖ Whether the boundary consent rule should be changed.
- ❖ Whether a grandfathering rule should be adopted.

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- ◆ **The rule defining the CGSA for Gulf Carriers should not be changed.**
 - ❖ The status quo rule has worked fine and produced seamless coverage along the coastline with co-location agreements.
 - ❖ There is no problem to be fixed.
 - ❖ A “Coastal” or “Neutral” Zone will undermine co-location agreements, jeopardizing seamless coverage and adversely impacting the Gulf carriers as small businesses.
 - ❖ The status quo definition satisfies the court’s remand, presenting no issue for appeal.

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- ◆ **An equal signal strength rule should be adopted allowing both sides 32 dbu contours at the coastline boundary.**
- ❖ The equal signal strength rule – the foundation for regulating neighboring cellular carriers – works successfully on land; there's no reason why it should be any different for the Gulf.
- ❖ Allowing land carriers a stronger signal (32 dbu) vis-a-vis Gulf carriers (e.g., 28 dbu) will prevent Gulf carriers from serving their customers.

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- ◆ **The boundary consent rule should not be changed for the Gulf.**
- ❖ Current rule prohibits any extension into a neighboring CGSA without consent.
- ❖ The current rule has produced co-location agreements and seamless coverage along the coastline in the Gulf.
- ❖ Allowing non-consensual extensions in the non-covered portions a Gulf carrier's CGSA as presently defined will undermine co-location agreements and seamless coverage.

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- ◆ **Grandfathering should be adopted to avoid service disruptions when new rules take effect.**
- ❖ A switch from a 39 dbu signal strength rule for Gulf carriers to a 32 dbu or 28 dbu rule could cause service disruptions without grandfathering.
- ❖ Any significant problems with CGSA extensions from either side reasonably should have been raised by now.
- ❖ Grandfathering should be applied to the operating parameters of all sites existing as of April 16, 1997, the start date of the rule making.

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◆ Four proposals in the rule making:

- ❖ Neutral Zone
- ❖ Coastal Zone
- ❖ Status Quo
- ❖ PetroCom/US Cellular Proposal

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◆ **Neutral Zone**

- ❖ 10-mile zone from coastline in which neither land or Gulf carriers would have any interference protection.
- ❖ Creates a “war zone” that satisfies none of the goals of the rule making and undermines co-location agreements.
- ❖ The Neutral Zone, the worst alternative, was abandoned by its lead advocate after it reached a co-location agreement under the current rules.

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◆ **Coastal Zone**

- ❖ The same “move it you lose it” rule remanded by the appeals court but limited to 10 mile zone along the coastline.
- ❖ The Coastal Zone will undermine existing co-location agreements and threaten seamless coverage.
- ❖ The Coastal Zone, likely to be remanded by the appeals court for the same reasons as the first remand, is second worst option after the Neutral Zone.

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◆ **Status quo – no rule changes at all**

- ❖ With the court's remand, a 39 dbu contour is the "status quo" signal strength for Gulf carriers (only 32 dbu for land carriers).
- ❖ Though status quo rules work, may not maximize licensing efficiency on Florida side of the Gulf.
- ❖ Satisfies most of the goals of the rule making, a much better alternative compared to the Coastal and Neutral Zone proposals.

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- ◆ **Best alternative: PetroCom/US Cellular joint proposal.**
 - ❖ Equal 32 dbu signal strength rule for both sides, just as with land systems.
 - ❖ Quid pro quo: extend Florida boundary 10-miles.
 - ❖ Grant pending, non mutually-exclusive Phase II applications, the fair thing to do.
 - ❖ Best satisfies the goals of the rule making.

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◆ **Regulatory Flexibility Act**

- ❖ Requires agency to analyze adverse impact of rules on small businesses and alternatives that avoid such impact while satisfying the agency's goals.
- ❖ The Coastal and Neutral Zone proposals do not withstand RFA analysis because they have an adverse impact on the Gulf carriers while not satisfying the goals of the rule making.
- ❖ The PetroCom/US Cellular proposal best satisfies RFA requirements because it helps ensure seamless coverage along the Gulf coastline while not undermining the co-location agreements.